

South Madison Fire Territory Public Hearing

MEETING DATE: March 8, 2022

LOCATION: Pendleton Fire Department
100 South Broadway Street, Pendleton, Indiana

TIME: 6:00 p.m.

ORDER OF BUSINESS

I. CALL TO ORDER/INTRODUCTION

Meeting was called to order by Steve Denny at 6:00 pm

Steve Denny welcomed attendees to the third Public Hearing and shared the following:

- Purpose of the Meeting:
 - Share concerns about the current status quo for fire and emergency services.
 - Show plans for Pendleton, Fall Creek and Green Township Fire Territory.
 - Deliver dependable 24/7/365 emergency services.
- Quotes in support of the South Madison Fire Territory shared, including quotes by Greg Valentine, Fred Gaskill and Steve Denny.
- Denny added the following comments:
 - At the last meeting, several residents addressed concerns about the re-allocation of tax revenue from South Madison School Corporation to support the Fire Territory and cost of the South Madison Fire Territory.
 - Committee has worked hard to make the financial impact on all local municipalities as minimal as possible.
 - Believe short-term financial impacts serve in the best interests of the residents.
 - Committee always support our schools and believe the school system is what draws so many to move here.
 - Yet, as community grows, the demands for fire protection and ambulance services need to keep up with the growth as well.
- Introduced Meeting Monitor, Todd Harmeson. Harmeson currently serves Madison County as the Computer Aid Dispatch Administrator and also served Pendleton in 2019 as our Public Information Officer during the Tornado disaster.
- Steve Denny turned the meeting over to Todd Harmeson, Meeting Monitor.

II. PUBLIC HEARING FORMAT

Todd Harmeson shared the following:

- Good to be back in Pendleton to see the growth since 2019 and to see how everything has evolved.
- This is the third and final Public Hearing. This meeting will lead up to the Public Meeting scheduled for March 29, 2022 at which time the vote will be taken.
- Introduced the following Councils:
 - Fall Creek Township – Fred Gaskill, Keith Gaskill, Dr. David Martin, Tim Pritchard
 - Green Township – Greg Valentine, Jerry Manges, Sharon Robinson, Jason Smith
 - Town of Pendleton – Chet Babb, Shane Davis, Bob Jones, Steve Denny, Marissa Skaggs
- After the three (3) Public Hearings, these Councils will vote to accept or deny the new Fire Territory.
- After Chief Chris Nodine and Paige Sansone from Baker Tilly present, questions will be taken from the audience.
- Harmeson introduced Chief Chris Nodine and turned meeting over to him.

III. INTRODUCTION OF THE SOUTH MADISON FIRE TERRITORY

Chief Chris Nodine presented the following:

- Currently the Chief of the Volunteer Fire Department.
- Thanked all that came to the meeting, including officials in attendance.
- Been working on the new Fire Territory for a few years and going into his second year as Fire Chief.
- When seconds matter, South Madison Fire Territory is on duty.
- Shared two videos of house fires, exhibiting fire spread, response time and manpower needs. Key points to consider:
 - Fire spread doubles every 30 seconds with modern day building materials which are much lighter in weight. With style of homes, even if set fairly far a part, can still affect and grow to neighboring home.
 - Very important to have staff ready to go at the time of the 911 call in order to protect valuables and loved ones. Already behind the 8 ball when arrive at scene.
 - Cannot make time up; therefore, need to be ready to go when call comes in.
- Pendleton Fire and EMS calls by year demonstrated on chart, reflecting significant growth from approximately 1500 calls per year to 2154 in 2021. On record to beat 2021 numbers with the 2022 year-to-date runs.
- Breakdown of 2021 Pendleton Fire and EMS calls by type, for total 2154, averaging 6 calls per day:
 - Medical – 1,554 (72% of total emergencies)

- Crash/Accidents – 260
- Fire Calls – 238
- Hazmat – 49
- Other Calls – 53 (including boat, drone and other apparatus)
- Have a lot of equipment and need to send many individuals to the scene in order to appropriately address the emergency at hand. Also, have the interstate that is dangerous which requires special equipment to block road to keep staff safe.
- As population increases, so will the number of runs.
- Shared images of the Fire Station, past and present.
- Have 46 gear lockers in which 24 live/work out of town and 10 work for another Fire Department.
- Reasons Pendleton Volunteer Fire Department is at risk:
 - No longer have enough volunteers to protect our community as volunteerism on a decline. One simple house fire can create a three (3) hour job.
 - NFPA standards recommends that there are 17 firefighters at a home fire and that is currently difficult to meet with volunteer staff, required whether paid or volunteer Fire Department. Also need four firefighters present on site to enter the home.
 - Less than .05% of residents live and work in Pendleton. This is an alarming statistic with the growth expectations of Southwest Madison County. 3,059 people commute to Pendleton daily for work.
 - Currently reliant on “mutual aid” from nearby fire departments and we offer “mutual aid” in order to receive it.
- Forming a Fire Territory will help in the following ways:
 - A staffed Fire Department will reduce response time which will allow them to respond faster and more efficiently. ISO number is important and having volunteer Fire Department only receives 1/3 point versus 1 point, if full-time staff. The higher the ISO score, the lower the insurance rate for the property owner.
 - New construction homes build to today’s standards, burn faster and have more toxic gasses; therefore, getting to fires quicker is important.
 - The population growth in South Madison is predicted to double in ten years. With growth comes more emergencies. Approximately 737 new homes in the works with new subdivisions and others looking at Pendleton.
 - Career Firefighters will be more focused because they are only working one-job-at-a-time.
- Map of proposed Fire Territory shared, reflecting 7 miles North to South and 10 miles East to West. Blue area represents what is currently covered today and cover as best as possible.

- Currently investigating a station location and construction plans, which depends on the community and the growth of the community. Development will dictate location of the new Fire Station. Location is key for efficient service and departments will also need to be spread out by five (5) miles per Study. Need to strategically place the Fire Stations based on growth and land acquisition. To investigate station location and construction plans.
- Projected Plans – Pending area growth, based on 5-10-15 year plan:
 - 1st year – hire 10-12 including administration; still will supplement with volunteers
 - 2nd year – additional 12-15 personnel (firefighters, captains) with rest of hiring staggered over the next 2-3 years and through 2025
- Chief Nodine shared personal quote, “As the Pendleton Volunteer Fire Chief, I sleep pretty good at night the first emergency call comes in, but what keeps me up at night is when the second call comes in while the first truck is out. That concerns me and it should concern you too”.
- Seconds matter and need to accommodate staff vacations as well.
- Fall Creek Township Trustee, Fred Gaskill, shared personal experience of recent fire at his nearby relative’s home. Gaskill stressed that every second counts as well as need for immediate access to equipment.
- Chief Nodine introduced Paige Sansone from Baker Tilly for her presentation.

IV. PROPOSED FIRE TERRITORY – SUMMARY OF FINANCIAL IMPACT

Paige Sansone with Baker Tilly Municipal Advisors presented the following:

- Tonight is third and final Public Hearing on the South Madison Fire Territory, but also a hearing on the Equipment Replacement Fund which will not be established unless the Fire Territory is approved.
- There are two statutory provisions for fire service:
 - Fire District which is under control of the County/Town Council
 - Fire Protection Territory
 - Madison County Fire Territory is based on the Fire Protection Territory statute.
- The Fire Protection Territory details:
 - What is it? – Type of fire service consolidation provided by Indiana Law (IC 36-8-19 enacted in 1994). About 60 Fire Territories in the State of Indiana.
 - Who can establish? – Two political subdivisions that touch boundaries (example: Town and Township)
 - Why establish? – Additional Funding for Operating and Capital to cover full-time employees due to lack of volunteers; Spread cost of fire services over a larger tax base; Establish a uniform tax rate for fire services
 - Allows to spread equally over the entire tax base

- Potential Benefits – Improved response times; Increased firefighter safety; Equipment replacement and maintenance (Equipment Replacement Fund)
- Statutory Process to Establish (deadline March 31, 2022):
 - Three (3) public hearings to receive taxpayer input; this is the final of three Public Hearings. Also, learned last week that the Department of Local Government Finance interprets that statute to require a separate public meeting 10 days after the third Public Hearing which is scheduled for March 8th. At the public meeting, likely to be held March 31st, the three (3) fiscal bodies/councils will vote on the Fire Territory.
 - Adoption is accomplished at a Public Meeting and not a Public Hearing. Public Meeting is scheduled for March 29, 2022 at 6 pm at the Town Hall.
 - All three (3) entities will vote to approve or deny.
 - Need all three (3) in favor to move forward with the South Madison Fire Territory.
 - Approval from fiscal bodies – Green Township, Fall Creek Township and the Town of Pendleton
 - If fiscal bodies approve, then the State (DLGF) will give approval of: Initial property tax levy for Operating Fund; Tax rate for Equipment Replacement Fund (at .0333 tax rate)
- Proposed Fire Territory:
 - Participating Units – Town of Pendleton, Fall Creek Township, Green Township
 - Provider Unit – Pendleton – Levies property tax on behalf of the Territory; Responsible for preparing the annual budget; Performs all necessary accounting and financial functions related to fire services
 - Fire Territory Executive Board
- Estimated funding sources and requirements – proposed fire territory - Chart including **Funding Sources** (Property Tax, Less Circuit Breaker, LIT Certified Shares, Contractual Payments (Town of Ingalls), Vehicle Excise Tax) for years 2023, 2024 and 2025. Total Funding sources per year 2023 (\$2,135,958); 2024 (\$4,485,828) and 2025 (\$5,638,105). **Funding Requirements** (Fire Operating, Capital Outlays (ERF – Equipment Replacement Fund) for years 2023, 2024 and 2025. Total Funding Requirements per year 2023 (\$2,115,400); 2024 (\$5,141,216); 2025 (\$6,636,302). **Excess (Shortfall)** for year 2023 - \$20,559; 2024 – (\$655,388); 2025 – (\$988,197)
 - Numbers are based on a three (3) year phase of expenses that determine analysis for 2023-2025
 - If property hits tax cap, property owner cannot pay more taxes, creating approximately \$162,000 in non-collections
 - All numbers based on budget developed and submitted
 - Fire Territory will have to make adjustment to budget per shortfalls, especially in the second and third years. Yet, dependent on net property values. Built in 5% net

value increase, but if net values are higher, then shortfalls could be less. Some properties in the area have recently shown a 14% increase in net values

- Pendleton, Fall Creek Township and Green Township - Chart provided shows maximum tax liability impact. Year 1 (2023) – 9.3%; Year 2 (2024) – 13.6%; Year 3 (2025) – 5.3% is the maximum increase in taxes which is based on estimated tax base (net assessed values), operating budget, capital budget, property tax levy, property tax rate and maximum tax liability impact. If property bill is not at tax cap, the property tax will increase at max amounts above.
- Illustrative Annual Tax Liability Impact - Charts provided to show estimated annual change in tax liability associated with the Fire Territory for years 2023, 2024 and 2025 should the property not be at tax cap. Examples discussed. Charts were provided for Fall Creek Township, Pendleton Civil Town, Green Township and Pendleton Green Township. Charts broken down with impacts on residential homesteads (1% tax cap); farmland and other residential (2% tax cap) and commercial and all other property (3% tax cap) for each designated area, based on property values. Properties not at tax cap will see increase in tax bill.
 - Percentage provided as to max increase in years 2023, 2024 and 2025
 - Property owner can look at current tax bill on the Treasurer's Website or Local Government Finance and review taxing district. Should record not reflect circuit breaker credit, than one can apply the percentages to determine change in tax bill. Examples shared on residential, farmland and commercial properties. Handouts also provided.
 - Areas grayed out will not see a change in property bill as tax cap maxed out.
- Certain revenue streams will be impacted:
 - Property Tax
 - Local Income Tax
 - Vehicle Excise Tax
- Redistribution of Local Income Tax and Vehicle Excise Tax goes to the Fire Territory and others get less.
- Change in selected revenues- participating and selected overlapping units – Charts provided to illustrate the impact on **Total Selected Revenues** (Gross Property Tax Levy, Circuit Breaker Tax Credits, LIT Certified Shares, LIT Public Safety, Vehicle Excise Tax) for the entities (Pendleton Town, Pendleton Fire Territory, Fall Creek Township, Green Township, South Madison Community School Corporation, Pendleton Community Public Library).
 - Charts shared base line as well as broke down impact of revenue for years 2023, 2024 and 2025. In 2nd year, the Town of Pendleton and the Fire Territory will receive more revenue while the library, school and Fall Creek Township to get less revenue. In 3rd year, the Fire Territory and the Town of Pendleton will receive more revenue and other taxing districts to get less.

- Fall Creek and Green Townships currently levy taxes and will be removed once the Fire Territory is established. If net assessed value is higher than anticipated, the losses will be less.
- Change in selected revenues – and their impact on participating and selected overlapping units – Chart provided to show the **Total Selected Revenues** between base line and year ending 2025 as follows: Pendleton Town -\$783,308; Pendleton Fire Territory \$5,448,104; Fall Creek Township (\$250,025); Green Township (\$74,137); Madison County \$696,030; South Madison Community School Corporation (\$610,905); Pendleton Community Public Library (\$56,006).
- Additional Charts provided for review to illustrate the Impact on circuit breakers, local income tax and vehicle excise on all units.

V. QUESTION AND ANSWER SESSION

Todd Harmeson, serving as Meeting Monitor, stated the following:

- Understand Fire Territory comes with an expense, but do not wish the cost to be the expense of a human life.
- Floor opened up for Question and Answer Session.
- Question and Answer ground rules shared:
 - Each person will be given three (3) minutes to ask a question or make a statement.
 - Each person asked to state their name, address and question being asked.
 - Monitoring Zoom; therefore, remote participants will also be able to ask a question.
 - Everyone is asked to refrain from presenting duplicate questions.
 - 3x5 cards are available should one opt to write his/her questions down. Fred Gaskill will then address.
 - Greg Valentine from Green Township will serve as time keeper, giving each person three (3) minutes to ask their question.
 - All Trustees and Town Council members will remain available to attendees after the meeting if one would like to speak to them directly.
 - If have multiple questions, please present all at one time.
 - Only residents, business owners or stakeholders are the only individuals allowed to speak and ask questions.
 - If one thinks of a question after the meeting, he/she may present them at the March 8th meeting. Also, one may submit an email to info@pendletonstation80.org in which Chief Chris Nodine will respond.

Questions and Answers were as follows:

- Buck Adams, 2370 E US 36 of Markleville, 20 year member of School Board and a part of the Fire Department for several years and understands situation, asked the following:
 - When was the first time that the Councils met to discuss the Fire Territory?
 - Fred Gaskill replied they met in 2018.
 - How long did they take to notify the School Corporation once they realized that the schools would be negatively impacted?
 - Steve Denny replied that they started working on the South Madison Fire Territory in 2020 and Baker Tilly has been involved throughout the process. Denny added that from the first analysis, they met with Dr. Hall, Superintendent of the South Madison Community School Corporation along with Town Council President Chet Babb. Denny stated that at that time, there was going to be a \$1.6 million dollar hit to the schools; therefore, went back a 2nd and 3rd time with the phase in to come up with the numbers presented.
 - Fred Gaskill also stated that the TIF area makes an impact on what we can do as takes money away. In 2018, Fall Creek Township lost 30% of their fire budget at which time they realized that the new Fire Territory needed to happen.
 - Todd Harmeson advised that the three minutes per person limit has been exceeded. Harmeson added that elected Officials will be available after the meeting to discuss matters further offline.
- Melissa Krieg of Markleville, Indiana, Adams Township stated the following:
 - At the end of the last Public Hearing, she was approached by an individual that advised she was not a stakeholder as lives outside. Krieg expressed disagreement and stated that she is a stakeholder as has children in the school system and pays \$78.00 every two weeks in Local Income Tax. Krieg then also asked:
 - Krieg asked how the presenter got from an initial loss of \$600,000 to now a \$300,000 loss for the school system.
 - Paige Sansone replied that each of the three (3) Public Hearings have presented the same numbers. Sansone added that initially they started in 2020 at \$1.6 million loss for the school - before the first Public Hearing, but was able to get the loss to the school system down to \$600,000 after looking at multiple scenarios to change the budget, phase it in over three (3) year period to reduce the impact and therefore level it out over three (3) years.
 - Krieg asked if the income tax that just went up, as approved for the county, is where you are going to pull the money from the local tax base.
 - Paige Sansone replied that LIT increase that has been initiated by this County has been worked into the analysis. Sansone added that the overall all taxing unit will be getting more in LIT, but redistributed by this Fire Territory.

- Julie Schnepf of 427 East State Street, Pendleton stated the following:
 - She and her husband are realtors, parents, grandparents and have a stake in everything.
 - Husband has been a volunteer for a long time. Saddened by fact that Pendleton is losing volunteer firefighters, but the good news is that for 118 years, the community has not had to pay for paid staff.
 - For 118 years, the local library and school system has not had to share the tax revenues, and that it is not a bad thing that the Town can no longer cover these entities.
 - As corporate business, spend a lot of money into the school system and its athletic program along with other businesses. Also, personally have six properties that will see an increase in tax bill.
 - Does not like the fact that the library and schools are losing money, but recommended everyone to not look at the losses and confident all will work out.
 - Thanked volunteer firefighters.
- Resident did not share name, address, but stated had three quick questions as follows:
 - There was a County initiative in the past (2005) where new homes had a fee of \$3000, perhaps in Summerlake, in that \$1000 went to the County, \$1000 went to the schools and \$1000 went to the fire. Further, the school owned property 20 acres and these fees were traded for that 20 acres. Can we go back on these 750 new homes and apply this \$1000 fee?
 - Why has Adams Township not stepped in to be a part of the new Fire Territory as perhaps the impacts could be better?
 - Will the online questions through email be placed in the website?
 - Chief Chris Nodine replied that the online questions will be placed on the website along with meeting minutes. Adams Township Board has not approached us with interest to join the Fire Territory, but open to discussions to join this agency. Chief Nodine stated that he is not familiar with the \$1000 Impact Fee Program.
 - Greg Valentine replied they following:
 - They negotiated a Phase I Escrow Fund and Phase II Escrow Fund where certain amount of funds were placed in the funds at each phase, creating a total balance of \$176,000.00 including interest. In 2006, tried with hold public meetings to get something going with the Fire Department of Green Township and learned could not do as hoped; therefore, purchased 5 tornado sirens as went to fire and EMS.
 - As for the \$3000 per house, only would have been implemented if Hampton Farms developed, yet with the crash of the economy in 2008/2009, projected 600 homes did not happen.

- As for the 23 acre property, it was never recorded; therefore, went back to the original owners.
 - About a year ago, sat down with Kelly Gaskill and Arbor Homes, 55+ community [125 homes], to negotiate a Fire Impact Fee [\$625 would have come to Green Township which will go to the Fire Territory if established and the rest would have went to County Commissioner for roads and bridges. Soon thereafter the Town of Ingalls went to the County Commissioner and said they needed to annex or would not provide water; therefore, deal did not go through.
 - Believe Fire Impact Fees in the Town of Pendleton are under discussion and asked Tim Pritchard to provide further information.
- Tim Pritchard added the following:
 - Any new home built in the jurisdiction of the Town of Pendleton, consisting of a subdivision of three (3) lots or more will have to pay over \$8700.00 in Impact Fees per home on infrastructure, roads and maintenance. In addition, the Park is very close on implementing their Park Impact Fees at \$3800.00 per home to accommodate the stress on the park infrastructure and services.
 - With Town Impact Fees, FCRWD fees, Park Impact Fees and Improvement Location Permits, the Developer is looking at approximately \$20,000.00 in fees to build a home. Developer will either swallow or pass onto the homeowner.
 - There are strong stipulations on how to spend these funds on infrastructure as well as road and park improvements.
 - Have over 1000 homes on the books to be built in the Town of Pendleton – Huntzinger Farms, Carrick Glen and The Falls. Every field in Pendleton being looked at by Developers, including land at State Road 13. 2200 homes planned and going up right now.
 - Population of housing will explode coming from Lapel; therefore, need to be ready for this growth.
- Carol Hanna of 5115 West State Road 132 asked the following:
 - Can you explain how the Town of Ingalls fits into this plan? The map looks like the Town of Ingalls is included in the Fire Territory. If not, who will provide services to the Town of Ingalls and is their Fire Station still active?
 - Chief Chris Nodine replied that yes, the Fire Station in the Town of Ingalls is active and Pendleton has placed a fire truck at their station. Chief Nodine added that if the South Madison Fire Territory goes through, the Town of Ingalls will pay \$190,000.00 in contract payments per year to receive care. Chief Nodine also stated that at a later date, the Town of Ingalls can ask to join the South Madison Fire Territory.

- Lynn Hobbs, Director of the Pendleton Community Library, asked the following:
 - When comes to long range plans, when ready to find a location for new Fire Station, will the Fire Territory use these revenue streams in place or seek a bond?
 - Chief Chris Nodine replied that they will be fiscally responsible with their money and pay out of their revenue streams, but depending on how many bays are needed, they may need to resort to a bond considering building material cost increase. Nodine stressed the importance of locating the right spot for the new fire station so to avoid relocation and waste of tax payer dollars.
 - Hobbs asked if it would be a new bond or replacement of an existing bond. Hobbs added that those that have debt right now, those are guaranteed funds and if bond would pass, the library would still need to get the revenue to make their debt payments and it would cut in again significantly into the library's operating streams.
 - Chief Chris Nodine replied that they would seek a brand new bond.
 - Hobbs also asked if the Town Council would approve the bond versus County level.
 - Chief Chris Nodine replied that the Town Council is the Provider Unit; therefore, bond would go before the Fire Territory Board and then they would take it to the Provider Unit for approval which is the Town Council.
 - Hobbs stated that the Town needs to mindful moving forward as could be hit a second time if we reform to bring in the Town of Ingalls and then another hit when the Fire Territory seeks a bond for the new fire station.
 - Chief Chris Nodine replied that if they can be fiscally responsible enough to not have to do another bond, absolutely all for that.
- Resident did not speak in the microphone to capture name, address and/or question, yet responses as follows:
 - Paige Sansone replied that there is an opportunity to reset the maximum levy should Ingalls join in the future. Resetting the levy does not mean a big increase on tax rate. Yet, after analysis, if bring in another unit, that broadens the tax base; therefore find that it is more economical to the tax payer if increasing the tax base, but may be corresponding increase in the levy as well.
 - Tim Pritchard stated that if we build 1000 homes, we do not receive 1000x in property tax.
 - Paige Sansone added the following:
 - There is a misconceptions when we get a lot of new development that there is an automatic increase in revenue to the taxing unit.
 - The State has all of these participating units maxed out at a certain amount of property tax that they are allowed to raise.
 - Provided an example- if need to raise \$500,000 at .25 cents and get a higher tax base, it would take .20 cents to get that \$500,000.

- All the expansion is doing is reducing the tax rate necessary to generate the tax dollar that you are allowed to raise.
- Not one for one dollar increase in revenue. It is increasing tax base so it takes lesser tax rate to generate the amount of revenue needed.
- Cory Hall of 415 North Pendleton Avenue stated the following:
 - Had privilege of being a part of the Fire Department since he was 17 years old. Volunteers two times per month as works downtown Indianapolis.
 - Thanked local, elected government officials for advocating for the safety of our children as well as for the vision and understanding that the fire department has done great job for the last 118 years.
 - Fire protection is a very important part of life and will sleep better at night knowing the Fire Station is staffed 24/7.
 - Sorry for loss to school and library, but believe the Councils have been conservative and have done a great job at providing fair analysis with the impacts created by the Fire Territory.
 - Expenses always go up, just a part of running a business.
 - Cannot continue to sacrifice and to put public safety at risk.
 - Thanked for sense of urgency and believe here today because as a community and combined group is unwilling to let the risk threshold raise to a level that cannot be served.
 - The Pendleton Fire Department will continue to serve Adams Township and its residents. The department routinely answers calls to the brothers and sisters at Adam Township. The new Fire Territory will continue to be a huge part of Adams Township emergency response.

VI. ADJOURNMENT

Todd Harmeson announced that Elected Officers will remain after the Public Hearing to address questions and concerns. Questions may also be emailed to info@pendletonstation80.org.

Public Meeting to vote on the South Madison Fire Territory is scheduled for 3/29/22 at 6 pm at the Town Hall.

Public Hearing was adjourned by Harmeson at 7:13 pm.